

## Message Text

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15

ORIGIN EA-10

INFO OCT-01 ISO-00 EB-07 L-02 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 NSAE-00 NSC-05 OMB-01 PM-03 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FRB-03 /085 R

DRAFTED BY EA/EP:RHIMUS:SJB

APPROVED BY EA/IMS:ECINGRAHAM

EB/IFD/OIA:TRBRODERICK

L/EB:SRBOND

----- 059546

R 171840Z APR 75

FM SECSTATE WASHDC

TO AMEMBASSY KUALA LUMPUR

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E.O. 11652: N/A

TAGS: MY, ETRD

SUBJECT: MALAYSIAN LEGISLATION ON OIL DISTRIBUTION

REF: STATE 86477

1. BASIC BACKGROUND ON U.S. POLICY IN INVESTMENT DISPUTE  
QUESTIONS SUCH AS RECENT MALAYSIAN PETROLEUM DISTRIBUTION  
LAW IS CONTINUED IN A-10523 DATED DECEMBER 28, 1973 WHICH  
SENT TO ALL DIPLOMATIC POSTS. THIS DOCUMENT, ADDITIONAL  
COPY OF WHICH WE ARE POUCHING, SHOULD PROVE USEFUL IN YOUR  
DISCUSSIONS WITH GOM OFFICIALS AND REPRESENTATIVES U.S.  
FIRMS AFFECTED BY THE NEW LEGISLATION.

2. AS YOU ARE AWARE RECENTLY PASSED TRADE ACT AND  
FOREIGN ASSISTANCE LEGISLATION CONTAIN CLAUSES REQUIRING  
USG ACTIONS WHERE FOREIGN GOVERNMENTS EXPROPRIATE,  
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NATIONALIZE OR OTHERWISE DEPRIVE AMERICAN FIRMS OF FULL

ENJOYMENT OF PROPERTY AND/OR INVESTMENTS AND WHERE THE FOREIGN GOVERNMENT HAS NOT MOVED PROMPTLY TO PROVIDE JUST COMPENSATION, TAKEN OTHER STEPS TO DISCHARGE ITS OBLIGATIONS UNDER INTERNATIONAL LAW OR SUBMITTED THE DISPUTE TO ARBITRATION. IN SUCH CASES HICKENLOOPER AMENDMENT PROVIDES FOR SUSPENSION OF FOREIGN AID AND GONZALES AMENDMENT REQUIRES U.S. TO VOTE AGAINST IBRD/IDA LOANS TO COUNTRY IN QUESTION. SAME PROVISION ALSO INCLUDED IN SECTION 18 OF

ASIAN DEVELOPMENT BANK LEGISLATION. FINALLY, AS YOU KNOW TRADE ACT OF 1974 STIPULATES DENIAL OF GSP IN CERTAIN CASES OF NATIONALIZATION AS WELL (STATE 282968 OF DECEMBER 28, 1974). COPIES OF ALL THESE RELEVANT DOCUMENTS ALSO BEING POUCHED TO YOU TODAY. ALTHOUGH PRELIMINARY READING INDICATES THAT MALAYSIAN LEGISLATION MAY FALL WITHIN PURVIEW OF HICKENLOOPER AND GONZALES AMENDMENTS AS WELL AS TRADE ACT, QUESTION OF WHETHER PENALTIES BECOME APPLICABLE DEPENDS UPON WHETHER STANDARDS SET OUT ABOVE ARE BEING MET. KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, LEGISLATIVE BILLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** RowellE0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE088102  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** RHIMUS:SJB  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750135-1075  
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**Office:** ORIGIN EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 86477  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** RowellE0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <22 JUL 2003 by BoyleJA>; APPROVED <18 NOV 2003 by RowellE0>  
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**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MALAYSIAN LEGISLATION ON OIL DISTRIBUTION  
**TAGS:** ETRD, ENRG, MY  
**To:** KUALA LUMPUR  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006